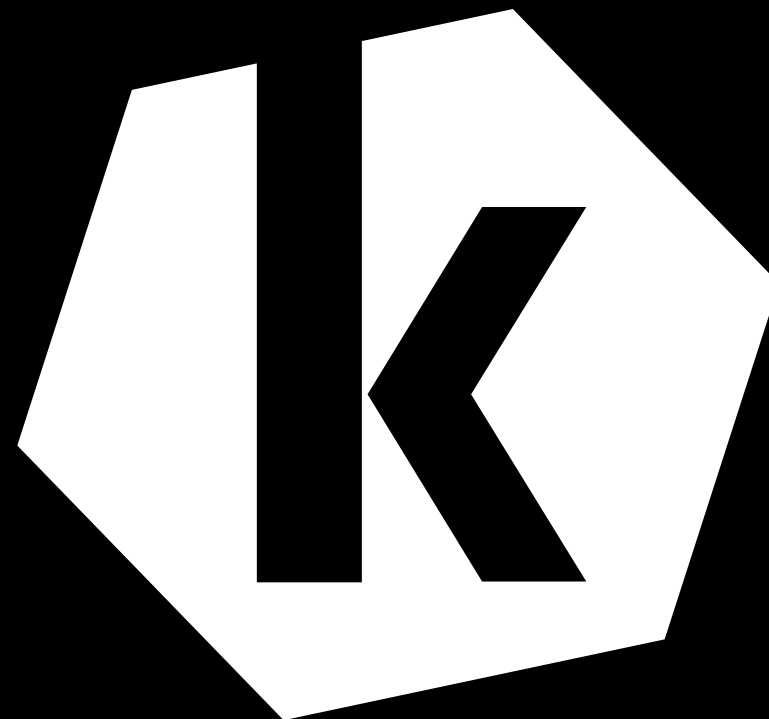


Kornit Digital (NASDAQ: KRNT)

Second Quarter 2024
Earnings Conference Call
Supporting Slides

August 7, 2024



On Today's Call



Ronen Samuel
CEO



Lauri Hanover
CFO



Jared Maymon
Investor Relations

Safe Harbor

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 and other U.S. securities laws. Forward-looking statements are characterized by the use of forward-looking terminology such as “will,” “expects,” “anticipates,” “continue,” “believes,” “should,” “intended,” “guidance,” “preliminary,” “future,” “planned,” or other words. These forward-looking statements include, but are not limited to, statements relating to the Company’s objectives, plans and strategies, statements of preliminary or projected results of operations or of financial condition and all statements that address activities, events, or developments that the Company intends, expects, projects, believes or anticipates will or may occur in the future. Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties. The Company has based these forward-looking statements on assumptions and assessments made by its management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. Important factors that could cause actual results, developments and business decisions to differ materially from those anticipated in these forward-looking statements include, among other things: the duration and severity of adverse macro-economic headwinds that were caused by inflationary pressures and higher interest rates, which have impacted, and may continue to impact, in an adverse manner, the Company’s operations, financial position and cash flows, in part due to the adverse impact on the Company’s customers and suppliers; the Company’s degree of success in developing, introducing and selling new or improved products and product enhancements including specifically the Company’s Poly Pro and Presto products, and the Company’s Apollo direct-to-garment platform; the extent of the Company’s ability to consummate sales to large accounts with multi-system delivery plans; the degree of the Company’s ability to fill orders for its systems and consumables; the extent of the Company’s ability to increase sales of its systems, ink and consumables; the extent of the Company’s ability to leverage its global infrastructure build-out; the development of the market for digital textile printing; the availability of alternative ink; competition; sales concentration; changes to the Company’s relationships with suppliers; the extent of the Company’s success in marketing; and those additional factors referred to under “Risk Factors” in Item 3.D of the Company’s Annual Report on Form 20-F for the year ended December 31, 2023, filed with the SEC on March 28, 2024. Any forward-looking statements in this press release are made as of the date hereof, whether as a result of new information, future events or otherwise, except as required by law.

In addition to U.S. GAAP financials, this presentation includes certain non-GAAP financial measures. These non-GAAP financial measures are in addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. Please see the reconciliation table that appears among the financial tables in our earnings release being issued today, which earnings release is attached as Exhibit 99.1 to our report of foreign private issuer on Form 6-K being furnished to the SEC today, which reconciliation table is incorporated by reference in this presentation.

This presentation contains statistical data that we obtained from industry publications and reports generated by third parties. Although we believe that the publications and reports are reliable, we have not independently verified this statistical data.

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Business Highlights

Ronen Samuel
Chief Executive Officer

Second Quarter 2024 Recap

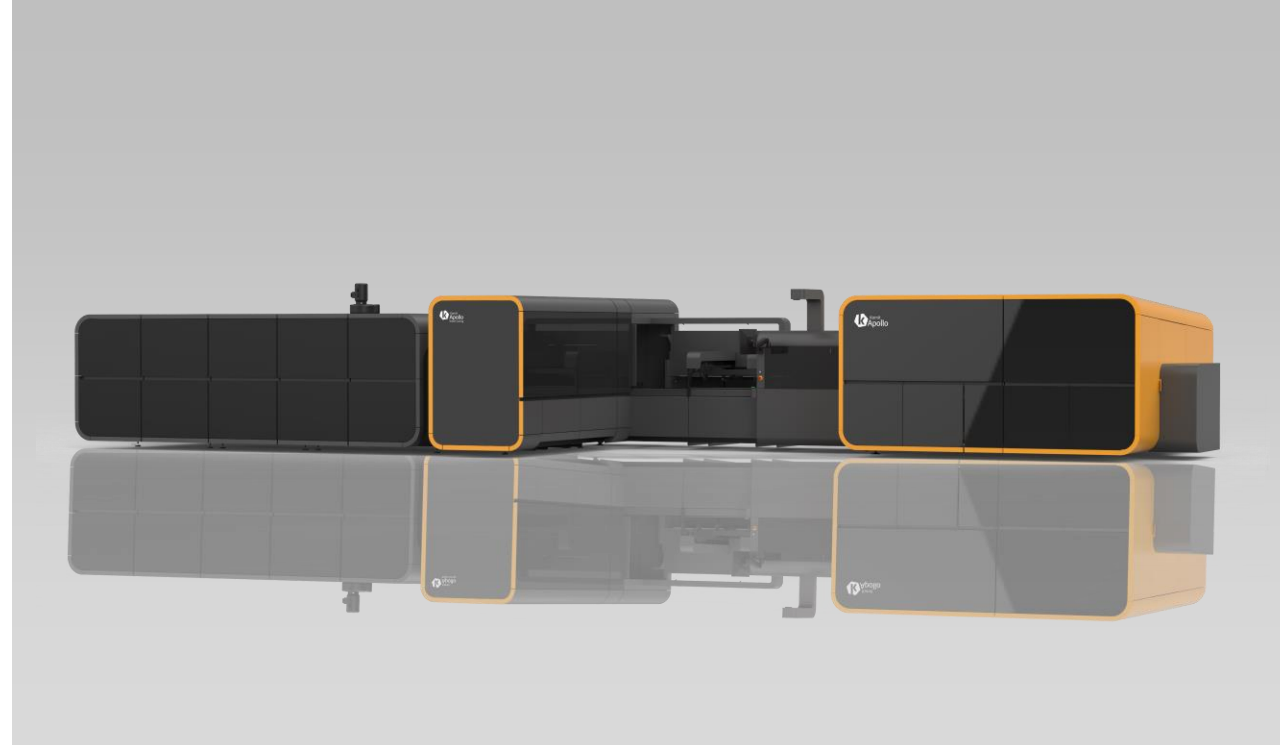
Revenues and adjusted EBITDA margin within guidance range

- Revenues of \$48.6 million and adjusted EBITDA margin of negative 3.4%
- Within the guidance range provided in May
- Generated positive cash from operations for Q2 2024
- Continued improvements year-over-year to impressions and consumables sales
- Macroeconomic environment continues to delay investments in systems

Apollo Update

Positive reception continues

- The system is driving significant improvements to productivity and TCO
- Regarded as the best solution for replacing screen printing for mid-sized runs
- Received several additional orders in Q2, with four on the AIC model
- Pipeline for 2024 remains filled with a mixture of AIC and CapEx deals
- Continuing to build 2025 pipeline with new and existing customers



All-inclusive Click (AIC) Pilot Program Update

A game-changer for customers and Kornit

- AIC removes barriers to entry by eliminating large capital investments and providing predictable unit economics
- AIC provides better visibility for Kornit on revenue, profitability, and cash flow
- Expanded the program from Apollo to the Atlas family of systems
- Gaining momentum with new and existing customers for AIC on Atlas MAX

Direct-to-Fabric Update

Leading the shift towards digital pigment

- Continues to drive revenue diversification
- Gaining traction in key textile-producing regions
- Viewing India, China, Peru, Portugal, and others as growth drivers for our future in DTF
- Making progress in footwear applications
- Working to have a production-ready footwear solution in coming quarters



Current View on the Second Half of 2024

Reiterating second half growth expectation

- Continuing to see signs of improvement
- Anticipating a stronger second half than first half
- Sales to increase by 20-25% in the second half
- Growth to be primarily driven by consumables sales
- Expecting positive EBITDA on a full-year basis and positive operating cash flow throughout 2024

Announcement of Investor Event

- Hosting an Investor Event on September 10th in Las Vegas
- Event to be held in conjunction with participation in Printing United trade show
- Investor Event will feature presentations from members of executive mgmt.
- Event will also feature panels with key customers and demand generators
- Planning to provide insights into its recent business activities, GTM strategy, and capital allocation plans



Concluding Remarks

- We achieved significant year-over-year improvements to profitability and cash flow
- Despite a challenging backdrop, we continue to see improvements in impressions, consumables, and utilization
- Adding to our pipeline of orders on AIC for both Apollo and Atlas systems
- Stabilizing our business and improving our P&L in H2 2024

Financial Highlights

Lauri Hanover
Chief Financial Officer

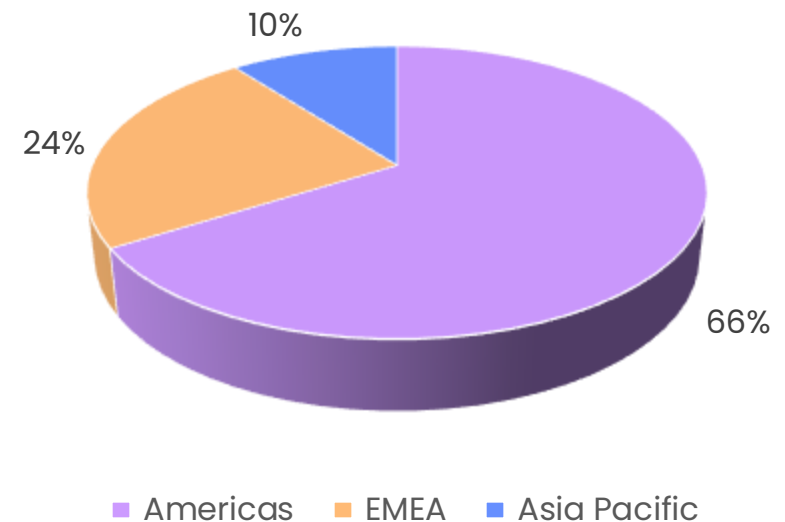
Revenues

- Q2 2024 revenues were \$48.6 million
- Within the guidance range of \$47-\$52 million
- Consumables contributed to year-over-year growth for Q2 2024
- Systems and services sales declined year-over-year, as expected

Q2 Revenues (\$M)



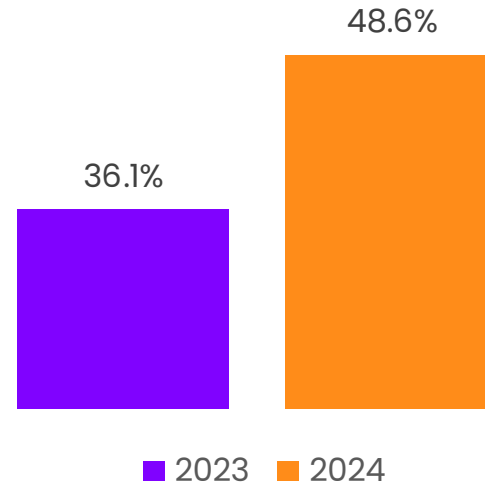
Revenues By Region



Gross Margins

- Q2 2024 non-GAAP gross margin of 48.6% compared to 36.1% in Q2 2023
- Improvement again attributable to better mix between comparatively higher-margin consumables and systems, as well as reduced fixed costs due to restructuring efforts
- Q2 2024 margin also benefitted from lack of warrant expense, as first tranche of our warrant agreement with our largest global strategic account concluded

Q2 Non-GAAP Gross Margin



Operating Expenses

- Q2 2024 Non-GAAP Operating Expenses: \$28.0 million, down from \$34.1 million in Q2 2023
- Reduction reflects cost-savings and restructuring initiatives
- Including workforce reductions, consolidation of facilities, and phasing-out legacy platforms
- OPEX includes ~\$1.5 million allowance for doubtful debts related to a customer that filed Ch. 11
- We continue to target FY24 non-GAAP OPEX to be ~\$20 million lower versus FY23

Non-GAAP Operating Expenses (\$ in millions)		
	Q2 2023	Q2 2024
Research & Development	\$11.3	\$9.1
Sales & Marketing	\$16.1	\$13.1
General & Administrative	\$6.7	\$5.8
Total Operating Expenses⁽¹⁾	\$34.1	\$28.0

⁽¹⁾ Figures may not sum due to rounding

P&LKPI's

	Q2 2023	Q2 2024
Non-GAAP Operating Loss	(\$13.8)	(\$4.3)
Adjusted EBITDA Loss	(\$10.7)	(\$1.6)
Non-GAAP Net Income (Loss)	(\$7.4)	\$1.1
Non-GAAP Diluted income (loss) per share	(\$0.15)	\$0.02
GAAP Net Loss	(\$14.3)	(\$4.9)
GAAP Diluted loss per share	(\$0.29)	(\$0.10)

\$ in millions, except per share amounts

Balance Sheet & Cash Flow

- At quarter end, cash, including bank deposits and marketable securities, was ~\$554 million
- Q2 2024 cash generated from operating activities: ~\$4.5 million
- Accounts receivable decreased ~\$1.2 million from Q1 2024
- Inventories increased ~\$3.6 million from Q1 2024
- Trade payables increased ~\$1.9 million from Q1 2024

	Q2 2023	Q1 2024	Q2 2024
Cash, Deposits & Marketable Securities	\$591.7	\$551.4	\$554.4
Accounts receivable, net	\$84.2	\$80.7	\$79.5
Inventory	\$88.2	\$67.0	\$70.6
Trade payables	\$11.6	\$2.9	\$4.8

\$ in millions

AIC Pilot Program Update

- Interest in our pilot of the AIC offering remains strong
- In Q2 we signed four new Apollo AIC units for delivery towards the end of this year
- Overall, expect to deliver 15 Apollo systems this year, with 10 of those expected on AIC model
- Also began a pilot AIC program for the Atlas family of systems this quarter
- Plan to provide an update on our progress at our Investor Event in September
- Under our AIC model revenue is generated from impressions a customer produces over time rather than upfront at the time of a system sale
- As such P&L benefits of systems shipped on the AIC model will begin to ramp toward the end of this year and into 2025

Share Repurchase Program

- We were subject to a blackout period under our existing trading plan
- Unable to repurchase shares for most of Q2
- Repurchase activity was limited to ~83,000 shares for Q2
- Average price paid per share net of fees was \$14.32
- Existing authorization for our share repurchase program expired in July
- The Israeli approval process regarding share repurchases recently changed as well
- We are currently navigating this new process
- We look forward to updating the investor community on our capital allocation strategy at upcoming Investor Event planned for September 10th

Third Quarter 2024 Guidance

- Q3 2024 Revenues:
 - Expected to be in the range of \$48 million to \$52 million
- Q3 2024 Adjusted EBITDA margin:
 - Expected to be in the range of 1% to 6% of revenue

**KORNIT DIGITAL LTD.
AND ITS SUBSIDIARIES**
RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDA
(U.S. dollars in thousands, except share and per share data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
	(Unaudited)		(Unaudited)	
GAAP Revenues	\$ 48,621	\$ 56,199	\$ 92,397	\$ 103,977
GAAP Net Loss	(4,909)	(14,325)	(18,108)	(33,256)
Taxes on income	648	430	907	624
Financial income	(6,435)	(7,018)	(11,781)	(12,422)
Share-based compensation	5,869	6,550	11,317	11,795
Intangible assets amortization	511	575	1,024	1,186
Restructuring expenses	-	-	1,671	295
Non-GAAP Operating Loss	(4,316)	(13,788)	(14,970)	(31,778)
Depreciation	2,680	3,079	5,491	6,341
Adjusted EBITDA	\$ (1,636)	\$ (10,709)	\$ (9,479)	\$ (25,437)

Thank You!